

## Increasing Property Values with PACE

Affordable Financing for Energy Improvements

The average commercial building wastes 30 percent of the energy it consumes. With energy costs on the rise—and an increasing focus on sustainability—conserving energy and reducing operating expenses remain a priority for Wisconsin building owners.

However, longstanding barriers tend to impede investment in energy conservation building improvements. Now, there is a solution: Property Assessed Clean Energy (PACE) financing, is available in Wisconsin and 32 other states and the District of Columbia.

### WHAT IS PACE?

PACE is an innovative program that enables property owners to obtain low-cost, long-term financing for energy efficiency, renewable energy, and water conservation building improvements. Projects financed using PACE can be completed with no up-front, out-of-pocket cost to property owners and can generate positive cash flow upon completion. The term of a PACE financing may extend through the useful life of the improvement, which may be as long as 20-25 years, and can result in cost savings that exceed the amount of the PACE financing. The result is improved business profitability, an increase in property value, and enhanced sustainability.

### HOW DOES IT WORK?

PACE Wisconsin authorizes municipalities and counties to work with private sector lenders to provide upfront financing—usually for 100 percent of the cost of improvements—to property owners for qualified projects.



### PACE BENEFITS

- Low-cost, upfront financing that covers up to 100% of project costs
- Long repayment periods (up to 20-25 years)
- Reduced energy consumption and operating expenses
- Potentially immediate return on investment
- Positive cash flow
- Increased net operating income and property value
- Energy Savings Performance Guarantees for PACE Projects greater than \$250,000
- Shared cost and energy savings with building tenants
- Upon sale, financing can transfer to the new owner
- Non-recourse financing
- Upgraded, more efficient and modern systems



## Financing

PACE financing is secured through a voluntary PACE Special Charge that is repaid directly to the PACE lender. Like property taxes, PACE financings may be transferred to the next property owner if the property is sold. The remaining balance of the PACE financing is repaid by the subsequent owner, who continues to receive the benefits of the improvements from the PACE project.

## Eligible Properties

PACE Wisconsin is available to eligible commercial and industrial property owners in participating communities. The program supports the redevelopment of existing buildings, as well as new construction projects. Eligible property types include office, retail, manufacturing, agriculture, hospitals, hospitality, non-profit, and multifamily (with five or more units) buildings.

## Eligible Improvements

PACE financing can be used to fund a number of energy-saving upgrades, such as efficient lighting systems, heating and cooling systems, insulation, motors, low-flow fixtures, windows, and water pumps. Solar panels and other renewable technologies that produce energy are also eligible for PACE financing.

## Project Development

To take advantage of PACE Wisconsin, property-owners develop qualifying energy and water conservation projects with contractors of their choice. Building owners then arrange PACE financing with a PACE lender of their choice. The property owner applies to PACE Wisconsin to qualify their project for PACE financing. If the PACE project is approved, the PACE Wisconsin, borrower, and PACE lender enter into a PACE financing agreement that governs the terms of the PACE Special Charge.

To obtain PACE Financing, a property owner must complete the project approval process, which includes a Pre-Application and Final Application. PACE Wisconsin must approve the Final Application prior to closing PACE Financing.

## ELIGIBLE PROPERTY TYPES

- Commercial
- Multifamily (5+ units)
- Non-profit
- Agriculture
- Warehousing
- Hospitals
- Industrial
- Manufacturing
- Hospitality

## ELIGIBLE IMPROVEMENTS

- Boilers and Chillers
- Pumps and Motors
- Automated Building Controls
- Building Envelope Improvements
- Efficient Lighting
- Heating and Cooling Upgrades
- Renewable Energy
- Hot Water Heating

**Learn more about Wisconsin PACE project development, the application process and how to close financing at [www.pacewi.org](http://www.pacewi.org) or call 1-800-522-3014.**